

The Cannon Falls City Council met in a budget work session on Tuesday, November 20, 2012, at 7:35 p.m. in the City Council Chambers. Present were Mayor Robby Robinson and Council Members Bill Duncan, Phil Hammes, Rodney Holst, Merlyce Johnson, Morris Mattson, and LeRoy McCusker. Also present were Aaron Reeves, City Administrator; Lanell Endres, Assistant City Administrator; Jeffrey McCormick, Chief of Police, Dave Maroney, Community Development Director, and Brenda Voshalike, Ambulance Director.

Aaron Reeves, City Administrator, reviewed the 2013 final budget, noting it reflected a \$53,000 levy decrease. He outlined various options.

1. Reducing the transfer from the Water Fund to the Debt Service Fund by \$25,000 would result in a water rate increase of 2.5% and a levy decrease of 1.2%.
2. Reducing the transfer from the Water Fund to the Debt Service Fund by \$50,000 would result in a water rate increase of 0% and a levy decrease of 0.13%.
3. No transfer would result in a water rate increase of 5% and a levy decrease of 2.3%.

Mr. Reeves reminded the Council that the water rates would be reviewed in subsequent years with likely resumption in rate increases. He also noted that growth was factored in long term.

Council Members Duncan, Johnson, and McCusker favored the first option.

There was discussion on how the budgets were set up, with the goal of not raising the levy but also not losing money in any given year. The importance of balancing safety and fiscal responsibility was also discussed.

Council consensus was option 1, reducing the transfer from the Water Fund by \$25,000, resulting in a water rate increase of 2.5% and a decrease in the levy of 1.2%.

The plan would be to have the Council adopt the 2013 budget at the next Council Meeting, review the Financial Management Plan, and decide on utility rate increases, as well as review long-range financial plans for utilities. The recommendation was 10% for sewer, 2.5% for water, and 10% for storm water.

The meeting adjourned at 7:50 p.m.

Adopted by the City Council of the City of Cannon Falls on the 4<sup>th</sup> day of December, 2012.

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Lyman M. Robinson, Mayor

ATTEST:

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Aaron S. Reeves, City Administrator